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Quality as business strategy and management tool

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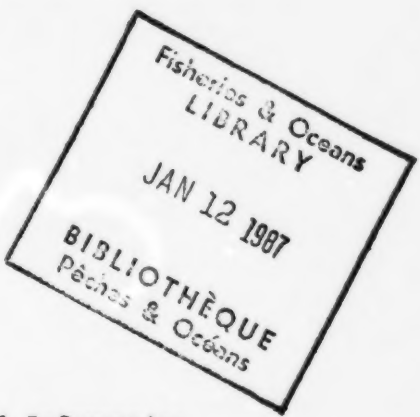

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EXTRACT:

The report considers different approaches to the quality concept; market quality, production quality and strategic quality. As a starting point in these methods of approach, we have prepared a concept model in order to map the different sources of quality and their mutual connections. The model is further used to prepare the central elements in a quality system for the Norwegian fishing industry. The chief conclusion must be that quality, to a larger extent, ought to be studied as an integrated and strategic problem. Further, we have argued that even though technology is important, we consider people and social conditions as the most important sources of quality.

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1. Introduction

Quality is a daily subject for managers of companies throughout the world. The costs related to too poor or uneven quality are in the process of being reassessed, likewise the economic success involved in high and even quality. Hard competition and more aware consumers in a buyers' market can explain some of these conditions. New research results show that it is with the help of the quality concept that Japanese philosophy lately has influenced management thinking in the western world (OUCHI, 1981). Our fishing industry bases its existence on products which perish easily, and in which lost quality cannot be restored. Under such conditions, quality as a competition factor ought not to vary in tandem (or more properly disproportionally) with fish prices on the world markets. When sales are slow and prices low, it happens that quality-related subjects are brought up in the fishery press, meetings, lectures and the like: "Our most important industry faced with rock-hard competition; quality is the starting point for expansion of the markets". (Director Knut Hoem in Norges Råfisklag (Norway's Raw Fish Co-Operative) to Fiskeribladet, June 19th, 1984.)

The situation doesn't improve when a number of our competitors recognize the importance of what good and stable quality means as a competition tool. They have set in motion a number of initiatives to improve the quality of fish and fish products. Among other things, central fishery organizations in the US have combined to propose a program for a national improvement in the quality of fish. Canada has gone so far as to define

its superior fishery policy in the coming years as: "Quality Excellence for the 80's" (Thoroughgood, 1982). We also know that Iceland is developing a superior quality system for its fishing industry, and we can continually read how a number of foreign countries are giving priority to the problems of quality in the fishing industry. Here it should be noted that many of these countries have had problems in selling their fish products in the higher priced markets for foodstuff. In other words, we are receiving a number of signals which indicate that the advantage we have had as supplier of quality products can be threatened if we don't pay attention and make improvements in this area.

1.1. Quality problems in the Norwegian fishing industry.

That the trade organizations within our fishing industry are debating the problem of quality in times when sales are good and the industry is blooming, is however, new, but all the more gratifying. This happened when the Fiskeoppdretternes Salgslag (Fish Breeders' Sales Co-operative) held its annual meeting in Trondheim this year. Even though quality was not included on the agenda, it became the major topic of debate during the meeting. In an interview in the paper "Nordlys" (Northern Light), May 18th, 1984, Administrative Director Odd Steinsbø claims that quality is the greatest problem the fish-farming industry is faced with today. It appears as though the positive attitude is no longer present; something which Mr. Steinsbø believes is due to the fact that selling the fish has been easy.

In order to resolve these problems, the obvious strategy is to fall back on stricter quality regulations and control. One of the tasks in this undertaking is to argue that to

inject quality into products through control does not always work. Quality control is often only a small part of a very successful quality strategy.

There appears further to exist a general perception in our fishing industry that the prevailing concerns in the industry are quantity and cost at the expense of quality and creation of values.

(Uncompleted sentence follows)